

SHB 2334 - H AMD 873

By Representative Dunshee

1 Strike everything after the enacting clause and insert the
2 following:

3 **"PART I**

4 **SHORT TITLE AND INTENT**

5 NEW SECTION. **Sec. 101.** This act may be known and cited as the
6 Washington works act.

7 NEW SECTION. **Sec. 102.** The legislature intends to create jobs and
8 increase the quality of life of all Washington citizens by issuing
9 bonds for the investment in energy operational cost savings and safety
10 and health infrastructure improvements to public facilities in all
11 public K-12 school districts, community and technical colleges, state
12 universities, regional universities, The Evergreen State College, and
13 other public facilities.

14 This new source of funding for the critical capital needs of the
15 state's public facilities furthers the policy goals of the state and is
16 intended to enhance the ability of the state to fulfill its essential
17 role in stimulating the state's economy by creating jobs.

18 It is the intent of the legislature that this new source of funding
19 will not displace funding levels for the capital and operating budgets
20 of the state. It is instead intended that the new funding will allow
21 the public entities to use the current level of capital funding to
22 provide for many of those urgent needs. The legislature also intends
23 that the funds made available in this act be expended as quickly as
24 possible consistent with good management practices in order to provide
25 jobs for Washington families and realize long-term economic benefits
26 for our state.

27 **PART II**

BOND AUTHORIZATION

NEW SECTION. **Sec. 201.** (1) For the purpose of creating jobs by constructing needed capital improvements to energy operational cost savings and safety and health infrastructure improvements to public facilities, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of three billion dollars, or so much thereof as may be required, for this purpose and all costs incidental thereto. The bonds issued under the authority of this section are known as Washington works bonds.

(2) Bonds authorized in this section must be sold in the manner, at the time or times, in amounts, and at such prices as the state finance committee determines.

(3) The authorization to issue bonds contained in this chapter does not expire until the full authorization has been issued.

(4) No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. **Sec. 202.** (1) The nondebt-limit reimbursable bond retirement account must be used for the payment of the principal of and interest on the bonds authorized in section 201 of this act.

(2) The state finance committee must, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements on the bonds authorized in section 201 of this act.

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 201 of this act, the state treasurer must transfer from the stabilization debt payment account created in section 204 of this act for deposit into the nondebt-limit reimbursable bond retirement account the amount computed in subsection (2) of this section for bonds issued for the purposes of section 201 of this act.

(4) If the stabilization debt payment account has insufficient revenues to pay the principal and interest computed in subsection (2) of this section, then the nondebt-limit general fund bond retirement account must be used for the payment of the remaining principal and

1 interest computed in subsection (2) of this section from any additional
2 means provided by the legislature.

3 NEW SECTION. **Sec. 203.** (1) Bonds issued under sections 201
4 through 204 of this act must state that they are a general obligation
5 of the state of Washington, must pledge the full faith and credit of
6 the state to the payment of the principal thereof and the interest
7 thereon, and must contain an unconditional promise to pay the principal
8 and interest as the same shall become due.

9 (2) The owner and holder of each of the bonds or the trustee for
10 the owner and holder of any of the bonds may by mandamus or other
11 appropriate proceeding require the transfer and payment of funds as
12 directed in this section.

13 NEW SECTION. **Sec. 204.** The stabilization debt payment account is
14 created in the state treasury. All receipts from energy savings
15 authorized in sections 301 through 310 of this act must be deposited in
16 the account. Moneys in the account may be spent only after
17 appropriation.

18 **PART III**
19 **APPROPRIATIONS**

20 NEW SECTION. **Sec. 301.** (1) All appropriations in sections 301
21 through 310 of this act must be distributed using the performance-based
22 contracting method of delivering energy operational cost savings and
23 safety and health infrastructure improvements to public facilities.

24 (2) One-half of the funds provided from the Washington works bonds
25 for the energy infrastructure improvements must be repaid from the
26 energy and utility cost savings, defined in this section, and from hard
27 operational cost savings, defined in this section, within twenty years.
28 The repayments must be deposited into the stabilization debt payment
29 account.

30 (3) The definitions in this section apply throughout this chapter
31 and sections 301 through 310 of this act unless the context clearly
32 requires otherwise.

33 (a) "Energy and utility cost savings" means savings realized from

1 improvements to water, sewer, solid waste, electricity, natural gas,
2 propane, and oil utilities and revenue generated from on-site energy
3 sources.

4 (b) "Energy-saving performance contracting" means the process
5 authorized by chapter 39.35C RCW by which a company contracts with a
6 state agency to conduct no-cost energy audits, guarantee energy savings
7 from energy efficiency, provide financing for energy infrastructure
8 improvements, and agree to be paid for its investment solely from
9 savings resulted from the energy efficiency improvement installed or
10 implemented.

11 (c) "Energy infrastructure improvements" means energy audits,
12 weatherization, energy efficiency retrofits, energy efficiency measures
13 or improvements, local on-site energy generation and safety and health
14 improvements.

15 (d) "Hard operational cost savings" means savings realized from
16 parts, service fees, capital renewal costs, and other measurable annual
17 expenses to maintain and repair systems. This definition does not mean
18 labor savings related to existing facility staff.

19 (e) "Public facilities" means buildings, building components, and
20 major equipment or systems owned by state and local governments and
21 subdivisions of the state.

22 NEW __ SECTION. **Sec. 302. FOR THE SUPERINTENDENT OF PUBLIC**
23 **INSTRUCTION**

24 K-12 School Safety, Health, and Energy Efficiency

25 The appropriation in this section is subject to the following
26 conditions and limitations:

27 (1) The appropriation is provided solely for energy operational
28 cost savings and safety and health infrastructure improvements to
29 school facilities initiated after July 1, 2009.

30 (2) Within the total amount, the office of the superintendent of
31 public instruction shall provide \$100,000 to each school district and
32 distribute the remainder by equal amounts per full-time equivalent
33 student in each school district.

34 (3) The appropriation in this section must be distributed using the
35 performance-based contracting method of delivering energy operational
36 cost savings and safety and health infrastructure improvements to
37 public facilities, unless the minimal cost or the immediacy of the

project makes performance-based contracting impracticable. If the minimal cost or immediacy of the project makes performance-based contracting impracticable, the school district must receive a waiver from the office of the superintendent of public instruction in order to use the appropriation to address safety and health needs. The safety and health improvements must address the primary and secondary school environmental health and safety rule revisions proposed as amended October 8, 2008, by the Washington state board of health.

(4) The superintendent of public instruction must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$2,002,000,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$0
TOTAL	\$2,002,000,000

NEW SECTION. **Sec. 303. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Community and Technical College Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for energy operational cost savings and safety and health infrastructure improvements to community and technical college facilities. The state board for community and technical colleges system board must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$286,000,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$0
TOTAL	\$286,000,000

NEW SECTION. Sec. 304. FOR THE UNIVERSITY OF WASHINGTON

University of Washington Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for energy operational cost savings and safety and health infrastructure improvements to University of Washington facilities. The University of Washington must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$79,100,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$79,100,000

NEW SECTION. Sec. 305. FOR WASHINGTON STATE UNIVERSITY

Washington State University Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for energy operational cost savings and safety and health infrastructure improvements to Washington State University facilities. Washington State University must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$45,700,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$45,700,000

NEW SECTION. Sec. 306. FOR WESTERN WASHINGTON UNIVERSITY

Western Washington University Safety, Health, and Energy Efficiency

1 The appropriation in this section is subject to the following
2 conditions and limitations: The appropriation is provided solely for
3 energy operational cost savings and safety and health infrastructure
4 improvements to Western Washington University facilities. Western
5 Washington University must report to the appropriate committees of the
6 legislature and the office of financial management on the timing and
7 use of the funds by the end of each fiscal year, until the funds are
8 fully expended.

9 Appropriation:

10	Washington Works Account--State	\$25,000,000
11	Prior Biennia (Expenditures)	\$0
12	Future Biennia (Projected Costs)	\$0
13	TOTAL	\$25,000,000

14 NEW SECTION. **Sec. 307. FOR EASTERN WASHINGTON UNIVERSITY**

15 Eastern Washington University Safety, Health, and Energy Efficiency

16 The appropriation in this section is subject to the following
17 conditions and limitations: The appropriation is provided solely for
18 operational cost savings and safety and health infrastructure
19 improvements to Eastern Washington University facilities. Eastern
20 Washington University must report to the appropriate committees of the
21 legislature and the office of financial management on the timing and
22 use of the funds by the end of each fiscal year, until the funds are
23 fully expended.

24 Appropriation:

25	Washington Works Account--State	\$19,100,000
26	Prior Biennia (Expenditures)	\$0
27	Future Biennia (Projected Costs)	\$0
28	TOTAL	\$19,100,000

29 NEW SECTION. **Sec. 308. FOR CENTRAL WASHINGTON UNIVERSITY**

30 Central Washington University Safety, Health, and Energy Efficiency

31 The appropriation in this section is subject to the following
32 conditions and limitations: The appropriation is provided solely for
33 energy operational cost savings and safety and health infrastructure
34 improvements to Central Washington University facilities. Central

Washington University must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$18,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$18,800,000

NEW SECTION. **Sec. 309. FOR THE EVERGREEN STATE COLLEGE**

The Evergreen State College Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for energy operational cost savings and safety and health infrastructure improvements to The Evergreen State College facilities. The Evergreen State College must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$8,600,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,600,000

NEW __ SECTION. **Sec. 310. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**

Public Facility Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation is provided solely for energy efficiency improvements to public facilities as defined in this section. The department of general administration must create a stakeholder group that includes state and local governments, and energy services company

members to make recommendations to the department of general administration regarding the appropriate process and mechanism for the distribution of funds for energy efficiency purposes.

(2) The department must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

Appropriation:

Washington Works Account--State	\$500,000,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$0
TOTAL	\$500,000,000

PART IV

TECHNICAL PROVISIONS

NEW SECTION. **Sec. 401.** (1) The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 201 of this act, and section 310 of this act is not deemed to provide an exclusive method for their payment.

(2) The issuance of bonds under this chapter is not deemed to be the only method to fund projects under this chapter.

(3) The office of the state treasurer must determine a mechanism to allow individual Washington state residents to purchase Washington works bonds.

NEW SECTION. **Sec. 402.** The bonds authorized by this chapter constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

NEW SECTION. **Sec. 403.** The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds provided for in this act, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

1 NEW SECTION. **Sec. 503.** Part headings used in this act are not any
2 part of the law.

3 NEW SECTION. **Sec. 504.** Sections 201 through 204, 301, and 401
4 through 404 of this act constitute a new chapter in Title 43 RCW."

5 Correct the title.

EFFECT: Energy operational cost savings are added to capital safety and health improvements as activities directed by the bill that will create jobs. All appropriations must be distributed using the performance-based contracting method of delivering energy infrastructure improvements to public facilities; however, the Office of the Superintendent of Public Instruction may grant waivers for the use of performance-based contracting due to the immediacy or minimal cost of a project. The Department of General Administration (department) is directed to create a stakeholder group to make recommendations regarding the appropriate process and mechanism for the distribution of funds appropriated to the department for energy efficiency purposes in public facilities.

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